



COMMISSION
AGENDA MEMORANDUM
ACTION ITEM

Item No. 8c
Date of Meeting December 11, 2018

DATE: November 29, 2018
TO: Stephen P. Metruck, Executive Director
FROM: Ryan McFarland, Federal Government Relations Manager
Eric Schinfeld, Sr. Manager, Federal & International Government Relations
SUBJECT: Federal Legislative Agenda for 2019

ACTION REQUESTED

Request Commission approval of the Port's 2019 federal policy priorities and authorization for staff to engage with federal officials and other partners in support of these priorities.

EXECUTIVE SUMMARY

Since January of this year, Port of Seattle government relations staff has worked with Commissioners, executive team members, and internal subject-matter experts to execute the Port's Commission-approved 2018 maritime and aviation federal policy priorities. Despite a significant number of headwinds on Congressional and Administration action, the Port has been able to both make substantial and tangible progress on core, long-held priorities while simultaneously responding to new issues and opportunities as they arise. While many of the 2018 agenda items remain as part of the 2019 agenda, a number of items have been reprioritized in reaction to local and national activity.

Following Commission approval of this legislative agenda, staff will begin engaging local and national partners to pursue the successful passage and implementation of these priorities.

FEDERAL LEGISLATIVE AGENDA

Priority Agenda Items

Portwide

- **Welcoming and Competitive Immigration & Trade Policies:**
 - a. Be a leading voice on immigration policies that ensure the Port, its partners and its customers have the workforce to succeed in the global economy, and that immigrants and refugees are fully welcomed into the opportunities that our region's economy provides.
 - b. Advocate for productive engagement and negotiations that ensure a fair and level playing field for mutually beneficial trade; ensure that enforcement actions such as tariffs and quotas are a measure of last resort and, when necessary, be carefully and narrowly targeted to address the problem and minimize the unintended impacts on American producers and consumers. Prioritize trade promotion and infrastructure with tariff collection revenues.

Aviation

- **Sufficient Infrastructure Funding and Flexibility:**

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- a. Provide leadership on efforts to raise the federal cap on the Passenger Facility Charge (PFC) from \$4.50 while maintaining the Port Commission’s ability to determine whether or not to change the user fee based on locally determined needs and competitive dynamics.
- **Efficient and Safe Airport Operations:**
 - a. Coordinate with CBP leadership to ensure seamless operational readiness and activation planning, and to maximize the number of CBP officers available and trained to start on August 1, 2020 in the International Arrivals Facility.
 - b. Partner with TSA leadership to continue to address passenger screening wait time issues through increased staffing, deployment of technology solutions, and increased passenger screening canine teams (including working with TSA leadership to implement third-party canine training and procurement by airports for local TSA use).
- **Increased Airport Communities Focus:**
 - a. Increase FAA responsibility for direct engagement with local communities near airports, both to respond to community concerns as well as inform residents of any proposed changes; expedite hiring of the regional community engagement and noise ombudsman staff approved by Congress in the past year.
 - b. Support changes to regulations that would create greater flexibility to address airport area community needs – including not only noise and air quality but also workforce & economic development, Project Labor Agreements, and disadvantaged business contracting.
 - c. Engage appropriately in the federally funded study of the impact of overflight noise on human health that includes Seattle as one of the metropolitan regions to be examined.
- **Expanded Sustainable Aviation Fuel Deployment:**
 - a. Ensure clarity and authority for airports to use airport revenue and federal grant funding to support the air quality and carbon reduction benefits of fuel switching.
 - b. Seek new and expanded federal funding for research on sustainable aviation fuels, as well as for feedstock processing and fuel production facilities, from agencies including the U.S. Departments of Agriculture, Energy and Transportation.

Maritime

- **Harbor Maintenance Tax (HMT) Reform:**
 - a. Continue efforts to reform the HMT to ensure US tax policy does not disadvantage US ports and to provide greater equity for HMT donor ports through expanded use of Harbor Maintenance Trust Fund revenues.
 - b. Support \$50 million appropriation for the “donor port” HMT rebate program authorized under Section 2106 of the 2014 Water Resources Reform and

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Development Act to compensate for the current structure and impacts of the HMT.

- **Terminal 5 Modernization Project:**
 - a. Support federal funding for the Terminal 5 Modernization Project to meet changing container industry requirements, ensure the long-term competitiveness of the gateway and meet our environmental and community goals.

- **Fishing Fleet Modernization:**
 - a. Advocate for reforms to NOAA’s Fisheries Finance Program (FFP) that would remove prohibitions on loans and loan guarantees for the construction and reconstruction of fishing vessels and that would include safeguards that prevent overfishing, including limitations on the use of replaced vessels in international fisheries; support increasing the FFP loan authority, which is presently \$100 million annually; support other policies and programs that improve access to financing in order to facilitate modernization of the North Pacific fleet.

- **Hiram M. Chittenden Locks Funding:**
 - a. Support funding for continued federal operation and maintenance of the locks, as well as additional funding for priority, non-routine maintenance.

- **Puget Sound Restoration:**
 - a. Support increased federal resources for Puget Sound and Southern Resident Killer Whale (SRKW) restoration, including funding to support habitat restoration, to manage predation of Chinook and other species critical to SRKW recovery, to help cleanup legacy sources of contaminants that affect SRKW, and to manage stormwater runoff. Support appropriations for the Puget Sound Nearshore Ecosystem Restoration Project, the National Estuary Program, the Puget Sound Geographic Program and the Pacific Coastal Salmon Recovery Fund.

- **Seattle and Tacoma Harbor Deepening:**
 - a. Support appropriation for design and construction to deepen the federal channels serving T-18, T-30 and T-5 in Seattle. Support funding for the feasibility study on deepening channels in Tacoma Harbor.

- **National Freight Policy and Funding:**
 - a. Support implementation and increased federal funding for a strengthened national multimodal freight strategy and related grant programs, including continued authorization and funding for the TIGER/BUILD discretionary grant program. Support establishing a sustainable funding source for freight infrastructure and ensure user fee proposals 1) do not hurt the competitiveness of the Northwest trade corridor relative to others in North America; 2) are mode neutral; and 3) funds should spent on improvements that benefit users who pay the fees and not diverted to other uses.

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- **Safe and Efficient Cargo Screening:**
 - a. Support adequate Customs and Border Protection (CBP) staffing levels to ensure efficient movement of cargo through the Puget Sound gateway. The port seeks increased federal funding for CBP staffing at maritime ports of entry and reforms to expedite the hiring of new CBP officers.
 - b. Pursue efforts to ensure the federal government resumes responsibility for funding CBP services, equipment and facility development.

Additional Priority Issues the Port of Seattle is Supporting or Engaging on:

Port-wide

- **Welcoming and Competitive Immigration & Trade Policies:**
 - a. Advocate for new trade agreements that open new markets and level playing fields for Washington employers and others who use the Port as their international gateway, while creating verifiable, measurable and enforceable standards to protect workers and the environment.
 - b. Support permanent legal protections for immigrant children currently eligible for the Deferred Action for Childhood Arrivals (DACA) program.
 - c. Partner with key local stakeholders to implement programs that showcase the Port as a welcoming gateway for immigrants and refugees.
- **Sufficient Infrastructure Funding and Flexibility:**
 - a. Advocate for more federal dollars for airport, seaport and related freight mobility infrastructure projects, via annual appropriations and/or a comprehensive federal infrastructure investment package.
- **Increased Community Focus:**
 - a. Partner with federal agencies to improve human trafficking prevention and intervention efforts.

Aviation

- **Sufficient Infrastructure Funding and Flexibility:**
 - a. Ensure that federal agencies and members of Congress are supportive of in-progress and future capital projects and plans; keep federal partners updated on the progress of the SAMP near-term projects environmental review.
- **Efficient and Safe Airport Operations:**
 - a. Increase overall funding for Customs and Border Protection officers dedicated to international airport passenger processing.
 - b. Preserve TSA funding for Law Enforcement Officer reimbursement grants.
 - c. Continued engagement with federal regulators and policy-makers on improved approaches to perimeter security and insider threat issues based on learnings from the August 10th unauthorized flight incident.

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- d. Engage appropriately in the formation and work of the National In-Flight Sexual Misconduct Task Force.
- **Increased Airport Communities Focus:**
 - a. Support changes to FAA policies that restrict noise insulation investments to once per home, such that broken or antiquated infrastructure can be replaced.
 - b. Support efforts to have the FAA and other federal agencies research the relationship between aviation activity and ultrafine particulate emissions, as well as their associated impacts.
 - c. Engage with FAA leadership to speed the transition to non-fluorinated airfield fire-fighting foams.
 - **Expanded Sustainable Aviation Fuel Deployment:**
 - a. Engage the participation of key federal policy makers and regulators in the Port's Sustainable Aviation Fuels Industry Day.
 - b. Pursue policies through the annual National Defense Authorization Act that leverage the U.S. Department of Defense as a key partner in sustainable aviation fuels research and implementation.

Maritime

- **Diesel Emissions Reductions, DERA and alternative fuels:**
 - a. Support authorization and full funding for the EPA Diesel Emissions Reduction Act (DERA) program, which provides funding for emissions reduction programs. Advocate for federal programs that support electrification and alternative fuel use at ports.
- **Pebble Mine at Bristol Bay and Offshore Drilling:**
 - a. The Port of Seattle Century Agenda commits the Port to actions and policies to ensure the long-term vitality of the Northwest fishing industry and to being the greenest, most energy efficient port in North America. The Port believes the proposed Pebble Mine at Bristol Bay and offshore drilling off the Washington coastline to be inconsistent with the Port's Century Agenda goals.
 - i. The EPA has determined the proposed Pebble Mine at Bristol Bay would jeopardize one of the world's last wild salmon nurseries, a finding the fishing industry has endorsed. The Port of Seattle opposes mining activity and other development proposals in the Bristol Bay watershed that put Bristol Bay fisheries at risk.
 - ii. Offshore drilling threatens our state's fishing and tourism industries and puts wildlife habitat at risk. The Port of Seattle opposes offshore oil and gas drilling in both state and federal waters off the coastline of Washington state.
- **Jones Act:**
 - a. Support the Jones Act and its crucial role in providing the institutional framework that helps keep the US domestic maritime industry viable. Maintain limited

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flexibility to grant waivers from Jones Act regulations in extraordinary cases when domestic shipping capacity is insufficient to respond to a given need and when Puget Sound domestic maritime stakeholders validate that a waiver is necessary to support the vitality of their industry.

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Additional Priority Issues the Port of Seattle is Monitoring:

Port-wide

- **Welcoming and Competitive Immigration & Trade Policies:**
 - a. Coordinate with federal agencies on implementation of REAL ID by the 2020 deadline.
 - b. Support steps to increase and facilitate tourism into the United States.

- **Increased Communities Focus:**
 - a. Ensure federal support for efforts to improve the environmental impact of the Port's activities, including funding for the port's emissions reduction and water quality programs.
 - b. Secure additional federal funding for key priorities within the Port's economic development, tourism development and workforce development programs.
 - c. Support the federal priorities of local government partners, such as increased funding for homelessness & housing, securing transportation investments, and policies that improve the environment and quality of life for our region's residents.

Aviation

- **Efficient and Safe Airport Operations:**
 - a. Support TSA efforts to expand PreCheck, as well as additional technology solutions – such as self-service/remote bag drop – that maximize security and efficiency.
 - b. Ensure that our nation's Air Traffic Control (ATC) system continues to support a fully functioning statewide airport ecosystem and is responsive to community needs related to aircraft impacts; support increased funding and long-term investment predictability for ATC infrastructure.
 - c. Encourage FAA to provide structure and systemic context to safety management, and to require airports to establish and maintain a Safety Management System to manage airfield risk.
 - d. Support Congressional efforts to research the impact of increased Transportation Security Officer compensation on retention and overall net costs.

- **Increased Airport Communities Focus:**
 - a. Track federal efforts to evaluate changes to – and alternative metrics for – the current 65 DNL standard for noise mitigation.
 - b. Ensure federal support for a broad range of innovative strategies to offset the local air quality impacts and greenhouse gas emissions associated with increased aircraft activity.

ATTACHMENTS TO THIS REQUEST -

- (1) Presentation slides
- (2) 2018 Federal Maritime & Aviation Agendas

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 28, 2017 – The Commission was briefed on the 2018 Federal Legislative Agenda.

January 9, 2018 – The Commission authorized staff to pursue the 2018 federal legislative priorities.

November 27, 2018 – The Commission was briefed on the 2019 Federal Legislative Agenda.